

NeighborWorks® Achieving Excellence in Community Development

Profile: Stacey Epperson, Frontier Housing

Less than five years ago, Stacey Epperson, executive director of Frontier Housing in northeastern Kentucky, was one of manufactured housing's worst critics. She adamantly disliked the industry, from its shady dealers to its poor quality materials, and actively steered residents away from purchasing its homes. So when counselors began to tell her that those in need of affordable housing often opted for manufactured units, she refused to listen. Why would people choose inferior homes over what Frontier could offer them? When colleagues told her that they struggled to build more homes than the number manufactured housing dealers shipped into the county, she still refused to listen. When her own staff admitted to living in manufactured homes or using them for temporary housing, she still refused to listen. It was not until Frontier's housing production began to slip that Epperson finally confronted the situation: the manufactured housing industry represented a worthy opponent, and Frontier would need to rethink its tactics in order to compete.

In 2004, Epperson's ideas about manufactured housing and how to advance her organization were turned on their head by the *Achieving Excellence in Community Development* program. During the first week, the class examined the case of a nonprofit that could not compete with local loan sharks that offered quality choices along with less complicated rules and quicker results. Epperson came to a staggering realization: "It was an epiphany! The manufactured dealers were the loan sharks in the story. [Frontier] was too hard to deal with and would not give them choices. We were treating them as clients, not customers with individual preferences." An exciting question soon emerged from the subsequent discussion: what if manufactured housing was the solution, not the problem?

Returning to Frontier with the AE focus on honesty and performance-driven change, Epperson began to move away from her old ways of thinking and critically assess the situation. Within a 50 mile radius of her organization's office, there were 49 manufactured housing dealers, all of whom offered "beautifully decorated and comfortable" homes available in a significantly shorter time frame than those of Frontier. By acknowledging the many advantages of the manufactured housing industry, Epperson finally felt prepared to compete with it; she set an AE performance challenge for Frontier to triple the number of customers served while cutting production time in half and maintaining a loan delinquency rate below 5%. To address this challenge, Epperson restructured Frontier to run more efficiently and effectively, assigning staff to cross-department teams that made the best use of their strengths and encouraging them to adopt her same commitment to measurable results.

Epperson went public with her performance challenge, but did not receive the encouraging response she expected; in fact, many individuals cautioned her to "not go there" and that while "modular housing was ok, she should stay out of the manufactured field." Although Epperson remained confident that she was on the right path, she also

learned from the AE program to pay attention to the criticism and to constantly seek out new opportunities for growth: “[We make] changes and then we change again,” Epperson remarked. “We [just] keep trying to come up with the next best thing.” By listening to the voices of dissent and continuing her conversations with those in the field, Epperson learned of Warren Buffet’s purchase of Clayton Homes and realized that in lieu of competing with the manufactured housing industry, Frontier could *align* with it. The organization began to explore partnerships with manufactured housing companies and, with the help of fellow AE member Paul Bradley, teamed up with Clayton Homes to become Kentucky’s first nonprofit dealer of manufactured housing.

The Achieving Excellence program prompted an alliance with manufactured housing that has allowed Frontier to make use of economies of scale and offer affordable, well-built homes to its customers; already, the organization has met its AE performance challenge of tripling total housing production and its loan fund while reducing the time needed to get clients into a new home by half. In turn, it has also improved the image of the manufactured housing industry, encouraging other nonprofits to form similar partnerships in the future. But the impact of the Achieving Excellence does not end there. The cross-departmental teams that Epperson created to meet her initial performance challenge have led to other initiatives with equally impressive results, such as the development of a program that allows high-risk individuals to buy homes with a 65% success rate, the creation of quality homes \$20,000 less expensive than mid-range plans, and a reduction in the time it takes to process home construction requisition requests from two weeks to 48 hours. Epperson credits the AE program as being the “key to putting [one’s] organization on track to achieve results.” It not only challenged her own ideas about the manufactured housing industry and prompted her to restructure her organization. It opened her mind to the partnerships that have propelled Frontier to a new level of service.